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Jan. 1, 2002

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

\$14.51 /CWT
\$1.52 /LB

EFFECTIVE FEBRUARY 1, 2002:

The minimum price to pay milk producers, under ARM 32.24.301, is **\$14.51**
per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 15.2 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.52.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$12.08 /CWT

Average spray process dry milk solids
price per pound = \$0.97000
Multiplied by 8.2 x 8.2

\$7.95400

\$7.95400

Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$1.25050
Multiplied by 4.2 x 4.2

\$5.25210

+ \$5.25210

LESS a make allowance of 8.5% (\$13.2061 X .085)

\$13.20610

- \$1.12252

\$12.08358

Rounded to the nearest whole cent = **\$12.08 /hundredweight.**

CLASS II BUTTERFAT PRICE PER POUND**\$1.39 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.25050	X .111)	=
Rounded to the nearest half cent				=
				\$0.13881
				\$0.139

Butterfat value per pound
for milk at 3.5% test: \$1.39

Hundredweight price of milk testing 3.5%		=	\$12.08
LESS 3.5 pounds of butterfat at	\$1.39	per pound	-
Value of 96.5 pounds of skim		=	\$7.215

CLASS II VALUE OF			
ONE POUND OF SKIM	7.215 / 96.5 pounds)	=	\$0.07477 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$10.33 /CWT**

3.5 pounds of butterfat	\$1.13	per pound =	\$3.955
96.5 pounds of skim	\$0.06602	per pound =	\$6.371
			\$10.326 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.13 /LB**

Last quote of the month for Grade AA butter	
minus a difference of \$.0895	= \$1.25050
LESS 10%	- \$0.12505
	\$1.12545

Rounded to the nearest whole cent = \$1.13 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.60182 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.97000
Multiplied by 8.2	8.2
	\$7.95400
LESS 17%	\$1.35218
	\$6.60182

Rounded to the nearest whole cent \$6.60 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick
Monte Nick, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$14.51 FOR 3.5% MILK 96.5 LBS = \$9.190		CLASS II SKIM PRICE BASED ON \$12.08 FOR 3.5% MILK 96.5 LBS = \$7.215		CLASS III SKIM PRICE BASED ON \$10.33 FOR 3.5% MILK 96.5 LBS = \$6.371	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.09426	2.50	\$0.07400	2.50	\$0.06534
2.55	\$0.09430	2.55	\$0.07404	2.55	\$0.06537
2.60	\$0.09435	2.60	\$0.07408	2.60	\$0.06541
2.65	\$0.09440	2.65	\$0.07411	2.65	\$0.06544
2.70	\$0.09445	2.70	\$0.07415	2.70	\$0.06548
2.75	\$0.09450	2.75	\$0.07419	2.75	\$0.06551
2.80	\$0.09455	2.80	\$0.07423	2.80	\$0.06554
2.85	\$0.09460	2.85	\$0.07427	2.85	\$0.06558
2.90	\$0.09464	2.90	\$0.07430	2.90	\$0.06561
2.95	\$0.09469	2.95	\$0.07434	2.95	\$0.06564
3.00	\$0.09474	3.00	\$0.07438	3.00	\$0.06568
3.05	\$0.09479	3.05	\$0.07442	3.05	\$0.06571
3.10	\$0.09484	3.10	\$0.07446	3.10	\$0.06575
3.15	\$0.09489	3.15	\$0.07450	3.15	\$0.06578
3.20	\$0.09494	3.20	\$0.07454	3.20	\$0.06581
3.25	\$0.09499	3.25	\$0.07457	3.25	\$0.06585
3.30	\$0.09504	3.30	\$0.07461	3.30	\$0.06588
3.35	\$0.09509	3.35	\$0.07465	3.35	\$0.06592
3.40	\$0.09513	3.40	\$0.07469	3.40	\$0.06595
3.45	\$0.09518	3.45	\$0.07473	3.45	\$0.06598
3.50	\$0.09523	3.50	\$0.07477	3.50	\$0.06602
3.55	\$0.09528	3.55	\$0.07481	3.55	\$0.06605
3.60	\$0.09533	3.60	\$0.07484	3.60	\$0.06609
3.65	\$0.09538	3.65	\$0.07488	3.65	\$0.06612
3.70	\$0.09543	3.70	\$0.07492	3.70	\$0.06616
3.75	\$0.09548	3.75	\$0.07496	3.75	\$0.06619
3.80	\$0.09553	3.80	\$0.07500	3.80	\$0.06622
3.85	\$0.09558	3.85	\$0.07504	3.85	\$0.06626
3.90	\$0.09563	3.90	\$0.07508	3.90	\$0.06629
3.95	\$0.09568	3.95	\$0.07512	3.95	\$0.06633
4.00	\$0.09573	4.00	\$0.07516	4.00	\$0.06636
4.05	\$0.09578	4.05	\$0.07520	4.05	\$0.06640
4.10	\$0.09583	4.10	\$0.07523	4.10	\$0.06643
4.15	\$0.09588	4.15	\$0.07527	4.15	\$0.06647
4.20	\$0.09593	4.20	\$0.07531	4.20	\$0.06650
4.25	\$0.09598	4.25	\$0.07535	4.25	\$0.06654
4.30	\$0.09603	4.30	\$0.07539	4.30	\$0.06657
4.35	\$0.09608	4.35	\$0.07543	4.35	\$0.06660
4.40	\$0.09613	4.40	\$0.07547	4.40	\$0.06664
4.45	\$0.09618	4.45	\$0.07551	4.45	\$0.06667
4.50	\$0.09623	4.50	\$0.07555	4.50	\$0.06671

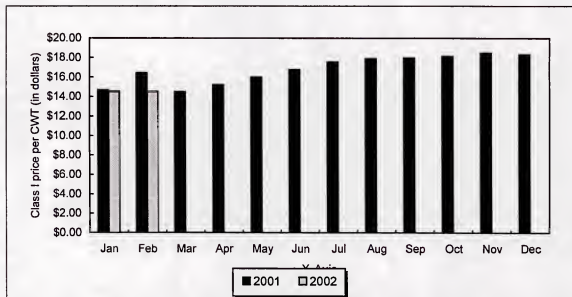
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2001 and 2002

Statistics from the Montana Milk Control Bureau

Month	2001	2002	Difference	% Change
January	\$14.68	\$14.53	(\$0.15)	-1.02%
February	\$16.43	\$14.51	(\$1.92)	-11.69%
March	\$14.49			
April	\$15.20			
May	\$15.99			
June	\$16.76			
July	\$17.54			
August	\$17.89			
September	\$17.95			
October	\$18.11			
November	\$18.48			
December	\$18.31			
Average	\$16.82	\$14.52	(\$1.04)	-6.35%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

NOVEMBER 2001: class I = \$10.59; class II = \$1.75; Class III = \$3.35; total = \$15.69

(calculations based upon utilization percentages of butterfat & skim)